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June 29, 2018

By ECFS

Marlene Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: **KonaTel, Inc. and IM Telecom, LLC Notice of Oral *Ex Parte***
Presentations; WC Docket Nos. 09-197, 11-42

Dear Ms. Dortch:

On June 27, 2018, Chuck Schneider of KonaTel, Inc. (KonaTel), Trevan Morrow of IM Telecom, LLC d/b/a Infiniti Mobile (IM Telecom), and John Heitmann and Jennifer Wainwright of Kelley Drye & Warren LLP, counsel to KonaTel, met, in separate meetings, with Dr. Jay Schwarz, Wireline Advisor to Federal Communications Commission (FCC or Commission) Chairman Ajit Pai; Amy Bender, Legal Advisor, Wireline, to Commissioner Michael O'Rielly; Jamie Susskind, Chief of Staff to Commissioner Brendan Carr; Travis Litman, Chief of Staff and Senior Legal Advisor, Wireline and Public Safety to Commissioner Jessica Rosenworcel; and, and Kris Anne Monteith, Trent Harkrader, Kate Dumouchel, Rashann Duvall, and Christian Hoefly of the Wireline Competition Bureau.

Our discussions during the meetings were consistent with the attached summary sheet regarding the proposed amendments to IM Telecom's FCC-approved Compliance Plan to reflect a transaction whereby KonaTel's parent company will acquire 100 percent ownership and control of IM Telecom.¹

¹ See IM Telecom, LLC d/b/a Infiniti Mobile Amended Compliance Plan, WC Docket Nos. 09-197, 11-42 (filed Mar. 8, 2018).

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Pursuant to section 1.1206(b) of the FCC's rules, this letter is being filed electronically.

Respectfully submitted,



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cc: Dr. Jay Schwarz
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Enclosure

Background and Transaction

- IM Telecom. IM Telecom d/b/a Infiniti Mobile is an MVNO in 24 states. It currently is **designated in seven states** as an ETC to provide Lifeline services to low-income consumers on a wireless basis, and has ETC **applications pending in 17 states**. The Bureau approved IM Telecom's Compliance Plan on **August 8, 2012**.
- KonaTel. KonaTel, Inc. (KonaTel Parent) is a **publicly traded** Delaware corporation with a Nevada-formed subsidiary, also named KonaTel, Inc. (KonaTel). KonaTel has provided local and long distance voice services and broadband services, without interruption, for more than three years, and **currently provides service to customers in 18 states**. KonaTel was **previously approved as an LBP** before all LBP designations were set aside on procedural grounds.
- The Transaction. IM Telecom is currently 100 percent owned by Mr. Trevan V. Morrow. Pursuant to an Agreement for the Purchase and Sale of Membership Interest, Mr. Morrow will transfer all of his interests in IM Telecom to KonaTel Parent. Following the consummation of the Transaction, **IM Telecom will be a direct wholly-owned subsidiary of KonaTel Parent**.
- The Amended Compliance Plan. IM Telecom filed an Amended Compliance Plan on **March 8, 2018**. Counsel for KonaTel has been in regular contact with Bureau staff to assess the status of the Bureau's review of the Amended Compliance Plan, but has been unable to ascertain a definitive timeline for approval of the ownership change.

Urgent Need for Regulatory Approval of the Amended Compliance Plan

- Public Interest. The acquisition of IM Telecom by KonaTel Parent will benefit consumers throughout IM Telecom's current and future operating territories.
 - The transfer of ownership to KonaTel will ensure that IM Telecom will **not rely exclusively on Lifeline** reimbursement for the Company's operating revenues.
 - The KonaTel Companies are financially strong and are **directly managed by a hands-on team which brings over thirty years of experience in telecommunications** as well as decades of expertise in operations management and marketing and, collectively, **24 years of experience in operations for Lifeline service providers**.
 - Further enhancing the caliber of its senior management, KonaTel Parent recently added **three new members to the Board of Directors**, each with over twenty years' experience in the telecommunications industry (including Terry Addington, former Director and Chairman of the Board for CTIA).
 - All of these strategic resources will be available to IM Telecom as it continues to grow and develop its business. This will facilitate improvements to IM Telecom's operating efficiency, financial management, and strategic decision-making. As a result, **IM Telecom will be able to compete more effectively in the wireless and broadband market sectors**.
 - At the same time, the Transaction holds **no adverse effects for consumers** as it will not lead to any loss of or reduction in services to IM Telecom's customers, nor will it result in any change to the rates, terms and conditions associated with those services.¹
 - **KonaTel focuses on a "Lifeline plus" product**, whereby the customer has a copay for the plan (more minutes, data, etc.) and if they choose, can pay for an upgraded phone.
- Business Certainty. Small businesses cannot conduct business effectively in the current regulatory environment. In this case, the review involves amending an already approved compliance plan to account for new management and financial resources from a company already previously approved by the Bureau as an LBP ETC. This should be approved on a streamlined basis.

¹ IM Telecom's current plans are as follows:

- Plan 1 (Non-Tribal) – 750 voice minutes + unlimited texts for free
- Plan 2 (Non-Tribal) – 500 MB at 4G or 3G speeds + 1,000 voice minutes + unlimited texts for \$15/month
- Plan 3 (Non-Tribal) – 2 GB at 4G or 3G speeds + 1,000 voice minutes + unlimited texts for \$25/month
- Plan 4 (Tribal) – 2 GB at 4G or 3G speeds + 1,000 voice minutes + unlimited texts for \$1/month